

### **REMARKS**

Claims 9-12 and 15-21 were pending in the application at the time of the Office Action. Claims 9-12 and 15-21 were rejected under 35 U.S.C. 112. Claims 9-12 and 15-21 were rejected under 35 U.S.C. 103. By this response, Applicant has amended claim 9 cancelled claim 11 without prejudice or disclaimer<sup>1</sup> and amended claims 9-10, 12, 15-19 and 21. As such, claims 9-10, 12, and 15-21 are presented for the Examiner's consideration in light of the following remarks.

Reconsideration and allowance of the application is respectfully requested in view of the above amendments to the claims and the following remarks. Applicant requests that the Examiner carefully review any references discussed below to ensure that Applicant's understanding and discussion of the references, if any, is consistent with the Examiner's understanding. For the Examiner's convenience and reference, Applicant's remarks are presented in the order in which the corresponding issues were raised in the Office Action.

A. **Amendment to the Claims**

Applicant respectfully submits that the amendment to the claims are based in the specification as originally filed at at least paragraphs 15 and 38 and that no new matter has been added. Entry of the claim amendments is respectfully requested.

B. **Restriction Requirement**

The Examiner acknowledged Applicant's election made on April 21, 2008 but did not agree with the Applicant's traversal of the restriction requirement. Applicant maintains its traversal and respectfully submits that claim 9 is generic of at least independent claims 25 and 29, which for purposes of advancing allowance of the claims, have been withdrawn.

C. **Rejection on the Merits**

**1. Rejections under 35 U.S.C. 112**

Claims 9-12 and 15-21 were rejected under 35 U.S.C. 112, paragraph 2 as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In particular, the Examiner asserted that the terms

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<sup>1</sup> Applicant reserves the right to prosecute any cancelled claim in a subsequent divisional or continuation application.

"ambiguous" is indefinite. By this amendment, Applicant has deleted the term "ambiguous" from the claims. As such, Applicant respects that the indefiniteness rejection is rendered moot and requests that the indefiniteness rejection be withdrawn.

## **2. Rejections under 35 U.S.C. 103**

### **A. Based on "Background of the Invention"**

Claims 9-12 and 15-21 were rejected under 35 U.S.C. 103(a) over Admitted Prior Art (APA) in view of case law. The Examiner asserts that claim 9 is disclosed in pages 1-4 of the specification. This part of the specification teaches, with emphasis added:

[006] . . . . A point of sale terminal is a common transaction device used to perform electronic transactions. Each point of sale terminal is encoded with the merchant's account information, such as the merchant's name or a unique identification number . . . .

. . .

[009] While transactions conducted using a point of sale device are fast and convenient, establishing a merchant account, buying a point of sale terminal and configuring the point of sale terminal can be costly and time consuming . . . .

[010] Existing point of sale terminals are not as cost effective for other types of transactions. For instance, some businesses do large volumes of transactions, but they need a merchant account and a point of sale terminal for each of their sales representatives. Each sales representative does a low volume of transactions, even though the business does large numbers of transactions cumulatively. The cost of a point of sale terminal therefore is not spread out over as many transactions and can significantly increase the cost of doing business. If the business has a high turnover of sales representatives, reprogramming the point of sale devices can also be a significant burden.

[011] Some point of sale terminals have the ability to be configured for multiple merchant accounts. For example, medical offices often use a point of sale terminal with multiple merchant accounts even though there is a single medical office. However, these devices require the individual merchants using the device to share the device in a single location. Businesses with sales representatives who conduct transactions off-site cannot benefit from these types of point of sale terminals.

[012] In other instances existing point of sale devices are cost prohibitive. For instance, two individuals may want to conduct an electronic transaction, but purchasing and programming an existing point of sale terminal would not be

warranted by the frequency and count of their transactions. Many individuals would prefer to conduct transactions electronically but instead must maintain a checking account or cash to make payment for items that cannot be paid for without a point of sale terminal.

However, this section of the specification does not teach or suggest

the electronic financial request having been generated by:

operatively connecting a portable transaction storage device with the transaction device, the portable transaction storage device containing merchant identifying information for a particular merchant stored thereon that can be selectively ported to the transaction device, wherein the transaction device is not permanently programmed to initiate transactions for the particular merchant such that the transaction device can be used to conduct financial transactions on behalf of any number of merchants;

As the cited section of the specification teaches, prior art point of sale terminals were pre-programmed with the merchant identification information, which limited the ways in which financial transactions could be performed. As recited in claim 9, a portable transaction storage device that allows multiple merchants to be able to receive payment through the transaction device is not taught or suggested in the cited section of the specification. As such, Applicant requests that the obviousness rejection to claim 9 based on pages 1-4 of the specification be withdrawn.

**B. Based on Templeton**

Claims 9-12 and 15-21 were rejected under 35 U.S.C. 103(a) over US 2002/0004772 A1 to Templeton et al. in view of case law. *Templeton* teaches a method for verifying a financial instrument as follows:

[0005] When a customer or user expresses a desire to use a certain instrument (e.g., to make purchases or fund transfers), the system initiates one or more verifying transactions using the instrument. Selected details of the transaction(s) are saved, particularly details that may vary from one transaction to another. Such variable details may include the number of transactions performed, the amount of a transaction, the type of transaction (e.g., credit, debit, deposit, withdrawal), the merchant name or account used by the system for the transaction, etc.

[0006] The user then retrieves evidence of the transaction(s) from his or her financial institution, which may be accomplished on-line, by telephone, in a monthly statement, etc., and submits the requested details to the system. The submitted details are compared to the stored details

and, if they match, the user is then allowed to use the instrument. If the verification fails, the user may be allowed to try again, offer different or additional verification, his or her account may be restricted, etc.

*Templeton* teaches using a merchant name as one of the verifying details that the cardholder can use to prove that the cardholder owns the financial instrument. *Templeton*, para. 25. Even though the Examiner argued that *Templeton* teaches the elements of claim 9, the Examiner has failed to particularly point out which sections of *Templeton* teach the particular elements. However, despite this, Applicant has diligently reviewed the *Templeton* reference and respectfully submits that *Templeton* does not teach, as recited in independent claim 9:

the electronic financial request having been generated by:

operatively connecting a portable transaction storage device with the transaction device, the portable transaction storage device containing merchant identifying information for a particular merchant stored thereon that can be selectively ported to the transaction device, wherein the transaction device is not permanently programmed to initiate transactions for the particular merchant such that the transaction device can be used to conduct financial transactions on behalf of any number of merchants.

Further, *Templeton*'s is addressing the problem of verifying that a user actually owns an account. In contrast, the present invention is directed, at least in part, to providing methods for allowing merchants to perform financial transactions using portable transaction storage devices in such a way that the transaction device does not have to be pre-programmed for a particular or group of particular merchants. Thus, one of the skill in the art would not be motivated to modify the teachings of *Templeton* to arrive at the elements recited in claim 9. As such, Applicant respectfully requests that obviousness rejection based on the *Templeton* reference be withdrawn.

Dependent claims 10-12 and 15-21 depend from independent claim 9 and thus incorporate the elements thereof. As such, Applicant respectfully submits that claims 10-12 and 15-21 are distinguishable over the prior art for at least the same reasons discussed above with respect to claim 9 and request that the obviousness rejection with respect to these claims be withdrawn.

D. Conclusion

In view of the foregoing, Applicants believe the claims as amended are in allowable form.

Applicant notes that this response does not discuss every reason why the presented claims are distinguished over the cited prior art. Most notably, applicant submits that many if not all of the dependent claims are independently distinguishable over the cited prior art. Applicant has merely submitted those arguments which it considers sufficient to clearly distinguish the claims over the cited prior art.

In the event that the Examiner finds remaining impediment to a prompt allowance of this application that may be clarified through a telephone interview, the Examiner is requested to contact the undersigned attorney.

The Commissioner is hereby authorized to charge payment of any of the following fees that may be applicable to this communication, or credit any overpayment, to Deposit Account No. 23-3178: (1) any filing fees required under 37 CFR § 1.16; (2) any patent application and reexamination processing fees under 37 CFR § 1.17; and/or (3) any post issuance fees under 37 CFR § 1.20. In addition, if any additional extension of time is required, which has not otherwise been requested, please consider this a petition therefor and charge any additional fees that may be required to Deposit Account No. 23-3178.

Dated this 13th day of September, 2008.

Respectfully submitted,

/sara d. jones/ Registration # 47,691  
SARA D. JONES  
Registration No. 47,691  
Attorney for Applicant  
Customer No. 022913

SDJ: vlr